

Bonanza, West Coast, Pacific Merger Urged

Washington—Proposed three-way merger of Bonanza Air Lines, Pacific Air Lines and West Coast Airlines last week received the backing of the Civil Aeronautics Board Bureau of Operating Rights.

In its brief on the merger agreement, the bureau found that the consolidated airline would represent an integrated route system along the West Coast without creating a monopoly, reducing competition or causing significant diversion of traffic from other carriers.

It termed Pacific a weak carrier and noted that the airline would gain much needed support which would assure its future as part of the merged system. In this connection, the bureau doubted that Pacific's individual forecasts of results for 1968 were reasonable. Pacific had predicted a 194% increase in operating profit between the year ended June 30, 1967, and the end of Calendar 1968.

The bureau also found that the merged carrier will realize a reduction between \$900,000 and \$1.2 million in subsidy need the first year of operation and as much as \$1.9 million in the second year.

Western Air Lines' objection to the proposed name of the merged airline, Air West, was rejected by the bureau.

Western held that the name would be confused with its own corporate title. However, the bureau said common sense indicates that the U.S. public is too knowledgeable to confuse the names.